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**Equalities and Human Rights Committee**

# **Report on Draft Budget 2017-18**



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# Equalities and Human Rights Committee

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# INTRODUCTION

## Timing of the Draft Budget and scope for Parliamentary scrutiny

1. On 23 November 2016 the UK Government made its Autumn Statement in the House of Commons. Subsequently, the Scottish Government published its Draft Budget 2017-18<sup>1</sup> on 15 December 2016. In order to allow the Draft Budget to progress through the Parliament, we have to report to the Finance and Constitution Committee by 13 January 2017.
2. The delayed publication of the budget this year has presented all parliamentary committees with a timing difficulty in scrutinising the Government's spending plans. This issue is further complicated for us by the fact that spending to support policies on equalities and human rights are spread across various ministerial portfolios and policy areas.
3. **While we appreciate that timing issues have been outwith the control of the Scottish Government, this has had a significant impact on the effectiveness of our scrutiny of this year's Draft Budget and the Budget Equality Statement. It is important that parliamentary committees are allowed to play a meaningful role in the scrutiny process. We therefore urge the Scottish Government to work with the Finance and Constitution Committee to consider ways in which this could be avoided or mitigated in the future.**

## Committee's approach to scrutiny

4. Recognising these particular difficulties we decided to undertake a programme of pre-budget scrutiny, taking written and oral evidence on the experience of relevant organisations and service users in an area of policy where Scottish Government funding should support key priorities, such as tackling inequalities and promoting preventative spending.
5. The majority of our consideration therefore focusses on our pre-budget scrutiny into the experience of disabled people and British Sign Language ("BSL") users in Scotland applying to, or attending a Scottish university. We have made our findings and recommendations on this scrutiny as a separate report.<sup>2</sup>
6. Firstly, we would like to thank the Cabinet Secretary for Communities, Social Security and Equalities and the Minister for Further Education, Higher Education and Science for appearing simultaneously to give oral evidence. We acknowledge this might have been considered unorthodox, however, in view of the time constraints we considered this approach expedient. It also allowed us to simultaneously cover issues relating to the equalities budget and various equality and disability strategies while also investigating any widening access issues arising from our inquiry into disabled people and universities.
7. This tandem approach was, we believe, particularly successful in showing the level of partnership working required across ministerial portfolios to further embed

equalities and human rights into Scottish Government policies. As such, we will consider replicating this approach in future where it is appropriate and proportionate.

8. Our report to the Finance and Constitution Committee on the draft budget will consider in turn—

- the Draft Budget 2017-18 as it relates to equalities and human rights.
- the Equality Budget Statement (“EBS”), and
- pre-budget scrutiny of disabled people and BSL users in Scotland applying to, or attending a, Scottish university.

9. Our consideration of the draft budget as it relates to equalities and human rights, and the Equality Budget Statement, constitute the rest of this report. Our pre-budget scrutiny of disabled people and BSL users in Scotland applying to, or attending a, Scottish university is published as a separate report. Please refer to that report for our conclusions and recommendations on our pre-budget scrutiny.<sup>3</sup>

## **DRAFT BUDGET 2017-18 AND THE EQUALITY BUDGET STATEMENT**

10. According to the ‘Scottish Budget: draft budget 2017-18’—

“A significant proportion of the Equalities Budget provides resource for frontline services to tackle violence against women and girls and will support activity to address discrimination and inequality across the protected characteristics. It also builds on work in areas where Scotland is already considered to have a progressive approach, for example around growing women's representation, addressing violence against women and girls, and increasing inclusion of LGBTI communities.”

11. The Scottish Government announced on 17 June 2016 that 224 projects would benefit from equality funding. This funding amounted to £20.3m, which reflected the allocation for equalities in Scotland's Spending Plans and Draft Budget for 2016-17. The 2017-18 draft budget for ‘promoting equalities’ has remained the same as the previous financial year at £20.3m. Although we note actual spending in 2016-17 was slightly above this level at £20.9m.

12. The allocation of ‘£20m’ for equality funding has remained relatively static for a number of years in cash terms.



13. In comparison, the real-term figure for 2016-17, based on 2008-09 funding, would be £25m.

| Budget year |              | Cash, £m | Real terms, £m (2016-17) |
|-------------|--------------|----------|--------------------------|
| 2008-09     | Outturn      | 22.3     | 25.1                     |
| 2009-10     | Outturn      | 22.9     | 25.4                     |
| 2010-11     | Outturn      | 20.1     | 21.9                     |
| 2011-12     | Outturn      | 19.1     | 20.5                     |
| 2012-13     | Outturn      | 19.7     | 20.8                     |
| 2013-14     | Outturn      | 18.8     | 19.5                     |
| 2014-15     | Outturn      | 21.7     | 22.2                     |
| 2015-16     | Outturn      | 20.3     | 20.6                     |
| 2016-17     | Budget       | 20.9     | 20.9                     |
| 2017-18     | Draft budget | 20.3     | 20                       |

14. This trend is characterised when focusing on the most recent equalities budget figures for 2016-17 and 2017-18, where we see a real-terms reduction to the equality budget of 4.3% equating to £900,000.

15. Angela Constance MSP, the Cabinet Secretary for Communities, Social Security and Equalities (“the Cabinet Secretary”), advised “we have maintained our commitment to equality investment over this period of public spending constraint”.<sup>4</sup>

16. The Cabinet Secretary also pointed to the ‘Fairer Scotland Action Plan’ which she believed would “also work to ensure that we have a fairer and more equal society for all Scotland’s people. At the heart of that plan are 50 fairness actions for the current session of Parliament, which will help us to meet those ambitions. Again, they range right across all Government responsibilities.”<sup>5</sup>

17. **We note the Scottish Government’s allocation for equalities has been maintained at around £20 million for the past decade. This however has meant a real terms decrease in funding for equalities of 20%, or £5 million, during this period due to economic and inflationary pressures over the past ten years outwith the control of the Scottish Government. Nonetheless, we recognise the Scottish Government’s commitment to address inequality through its legislation and policies; most recently by establishing its ‘Fairer Scotland Action Plan’. Over this parliamentary session we will seek to scrutinise the Scottish Government’s various strategies and action plans and work towards gaining a clearer understanding of the correlation between spending decisions and equality outcomes.**

### **Funding of third and voluntary sector**

18. Overall the budget for the Third Sector is £24.5m of which £12.3m has been allocated to strategic engagement and infrastructure for 2017-18. This is to support local and national third sector organisations in their work with individuals and

communities, and local and national work on volunteering. This is the same amount as funded in the previous year.<sup>6</sup>

19. On 3 November 2016 we took evidence on the UK's departure from the European Union ("EU") to gain insight into the range of issues which might impact on equalities and human rights. An issue of concern was the support provided through EU structural funds to the third and voluntary sector across Scotland, which will cease on leaving the EU. Many people with protected characteristics, or from marginalised groups, benefit from the work of third sector or voluntary organisations which offer practical assistance to access their rights, for example, disabled people accessing the job market. On departure from the EU, such organisations will no longer be able to access European funding streams which could threaten advocacy services for people's rights.

20. We wrote to the Cabinet Secretary on 16 November raising this concern. She advised—

"The Scottish Government will negotiate with the UK Government to ensure that future financial support for the range of economic and social development initiatives currently supported by structural funds continues to be allocated on a fair and equitable basis across the UK".<sup>7</sup>

**21. We are concerned the UK's departure from the EU is expected to place additional pressures on third sector and voluntary organisations involved in assisting those with protected characteristics, or from marginalised groups. With the equalities budget decreasing in real terms and the imminent loss of EU structural funds, this could see the Scottish Government's equalities policies being undermined and progress being rolling back. While we acknowledge the Scottish Government's commitment to negotiate with the UK Government to gain an equitable distribution of funding, this does not necessarily mean funding for this vital area will be maintained. As such, we call on the Scottish Government to give a commitment to take an early lead in opening dialogue between the Scottish third sector and voluntary organisations, the UK Government and EU authorities on assessing the potential impact of the loss of such EU funding support to Scottish society, and negotiating on how such funding gaps are going to be addressed so as to ensure no disruption in the funding base for such groups.**

## **Human rights**

22. Our remit was expanded to include human rights on 29 September 2016. There are of course express links between equalities and human rights. For example, everyone has the right not to be discriminated in respect of their other human rights, but human rights are broader than equalities, encompassing areas such as freedom from torture and the right to a fair trial.

23. In terms of the 2017-18 Draft Budget, human rights does not explicitly feature, although it is referred to alongside equalities—

“Our spending on equality and human rights activities supports the drive for social justice, economic and inclusive growth, and community empowerment. In addition to supporting work on interfaith equality, religious tolerance and advancing equality for older people, this budget helps address issues of social isolation and loneliness. It also provides resource to help tackle hate crime, strengthen community cohesion, and to support the integration of asylum seekers and refugees.”<sup>8</sup>

24. The Draft Budget recognises that following the EU Referendum, it will be more important than ever that people's human rights are protected and the equalities budget will be used to raise awareness and understanding of human rights.<sup>9</sup>

25. **Making human rights a core part of our remit has placed greater focus on this budget area. From our consideration of human rights issues thus far we concur with the view that it is more important than ever to ensure human rights are protected, not least because of the potential impact of Brexit on such issues as community cohesion. Scrutinising the budgetary aspects of human rights raises similar issues as with equalities because of its cross-cutting nature. We see this as an area where we could work jointly with the Scottish Government with a view to providing greater transparency.**

### **Scottish Government Equality Budget Statement**

26. Over the course of Sessions 3 and 4 of the Parliament, the Scottish Government has, at the request of the previous Equal Opportunities committees, developed the Equality Budget Statement (EBS)<sup>10</sup>. The EBS is published annually as part of the draft budget documents. It has now become an integrated part of the Scottish Government's annual budget process. It aims to identify the impacts on equality of the budgetary spending decisions made by the Government.

27. In Session 4 the then Equal Opportunities Committee carried out a review of the equalities budget process<sup>11</sup> and made some recommendations to further improve the EBS—

“...a more balanced approach in assessing the positive effects and identifying potential negative effects of changes to the draft budget....

...improve the evidence base that underpins the Equality Budget Statement.”<sup>12</sup>

28. A new section on ‘intersectionality’ (a term used to refer to combinations of protected characteristics. e.g. young disabled women) has been added to the EBS. This explains the complexity for policymakers, funders and service providers when making decisions. It also acknowledges the difficulties in gathering evidence of impact on intersections of protected characteristics. It also highlights the commitment given by the Scottish Government in the Fairer Scotland Action Plan to produce an Equality Evidence Strategy by early 2017.<sup>13</sup>

**29. We welcome the new section on ‘intersectionality’ in the Budget Equality Statement (EBS) and note that otherwise, the EBS remains much as it did in the preceding year. Given the timing of the 2017-18 Draft Budget we have not had sufficient time to consider fully the recommendations of the previous session’s Equal Opportunities Committee on the EBS. Nor have we been able to undertake our own investigation into the continuing efficacy of the EBS. It is our intention to make this a scrutiny priority for the 2018-19 draft budget process.**

<sup>1</sup> Scotland's Budget: Draft Budget 2017-18. Available at: <http://www.gov.scot/Resource/0051/00511808.pdf>

<sup>2</sup> Our conclusions and recommendations on our pre-budget scrutiny of disabled people and British Sign Language users applying to, and studying at, Scottish universities is available as the *Equalities and Human Rights Committee, 1<sup>st</sup> Report 2017 (Session 5) – Disabilities and Universities* (SP Paper 66), published Monday 23 January 2017: <http://www.parliament.scot/parliamentarybusiness/CurrentCommittees/103134.aspx>

<sup>3</sup> Ibid.

<sup>4</sup> Equalities and Human Rights Committee, Official Report 15 December 2016, Col 23: <http://www.parliament.scot/parliamentarybusiness/report.aspx?r=10698&mode=pdf>

<sup>5</sup> Ibid.

<sup>6</sup> The £12.3m can be seen in the level 4 figures, available from this page: <http://www.scottish.parliament.uk/parliamentarybusiness/17534.aspx>

<sup>7</sup> Letter from the Cabinet Secretary for Communities, Social Security and Equalities, 8 December 2016. Available at: [http://www.parliament.scot/S5\\_Equal\\_Opps/General%20Documents/Response\\_from\\_Cab\\_Sec\\_CSSE\\_to\\_letter\\_on\\_Brexit\\_and\\_human\\_rights.pdf](http://www.parliament.scot/S5_Equal_Opps/General%20Documents/Response_from_Cab_Sec_CSSE_to_letter_on_Brexit_and_human_rights.pdf)

<sup>8</sup> Scotland's Budget: Draft Budget 2017-18, Chapter 9 Communities, Social Security and Equalities, page 96. Available at: <http://www.gov.scot/Resource/0051/00511808.pdf>

<sup>9</sup> Scotland's Budget: Draft Budget 2017-18, Chapter 9 Communities, Social Security and Equalities, page 96. Available at: <http://www.gov.scot/Resource/0051/00511808.pdf>

<sup>10</sup> Scottish Government's 2016/17 Equality Budget Statement. Available at: <http://www.gov.scot/Publications/2015/12/3449>

<sup>11</sup> The Equal Opportunities Committee, Session 4 Budget Review forwarded to the Finance Committee. Available at: [http://www.scottish.parliament.uk/S4\\_EqualOpportunitiesCommittee/Reports/EOC\\_Budget\\_review\\_2016-17\\_final.pdf](http://www.scottish.parliament.uk/S4_EqualOpportunitiesCommittee/Reports/EOC_Budget_review_2016-17_final.pdf)

<sup>12</sup> The Equal Opportunities Committee, Session 4 Budget Review forwarded to the Finance Committee. Available at: [http://www.scottish.parliament.uk/S4\\_EqualOpportunitiesCommittee/Reports/EOC\\_Budget\\_review\\_2016-17\\_final.pdf](http://www.scottish.parliament.uk/S4_EqualOpportunitiesCommittee/Reports/EOC_Budget_review_2016-17_final.pdf)

<sup>13</sup> Fairer Scotland Action Plan, 'It takes all of us to build a fairer Scotland', The Scottish Government, published 5 October 2016, Research Action – Equality Evidence Strategy, page 32. Available at: <http://www.gov.scot/Resource/0050/00506841.pdf>



